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SUBJECT: BURMA ADDRESSED IN LOW-SUBSTANCE ASEM SUMMIT

REFTEL: Hanoi 2638

1. (SBU) Summary and Comment: Predictions that ASEM-5 would be a talk shop lacking in substance proved for the most part accurate, but the Europeans successfully insisted on raising the Burma issue and including a reference to the political situation there in the Chairman's Statement. The event itself went smoothly, with no serious problems or incidents, and offered an excellent opportunity for the assembled leaders to pursue bilateral meetings on the summit's margins. The Vietnamese spent lavishly during the concurrent bilateral visits of the French President and German Chancellor, signing contracts for ten Airbus jets, 16 German locomotives, a light rail project for Hanoi, a cement factory and a limestone processing plant for a total expenditure of more than USD one billion. Vietnam and the EU were also able to use the occasion to conclude their bilateral WTO talks. Ultimately, ASEM-5 underscored that the Asian preference for formal diplomatic frameworks focusing on uncontroversial issues such as economic and cultural relations remains strong, as does the European preference for more substantial and "productive" events. End Summary and Comment.

CONSENSUS EMOTION: RELIEF

2. (U) The dominant reaction of our Asian and European interlocutors alike to the successful conclusion of the Fifth Asia-Europe Meeting (ASEM-5) held October 7-9 in Hanoi was relief. The Europeans were relieved that the summit unfolded without any major problems or incidents, and the Asians were relieved that the Europeans did not let the Burma issue derail the entire event -- although there was some reported dissatisfaction on the part of the GVN and other Asian representatives that European participation was at a relatively lower level. On Burma, the delegates were ultimately able to agree to a paragraph (4.7) in the Chairman's Statement under the heading of "Recent Regional Developments" as follows:

Begin text:

The Leaders took note of the briefing on the recent political developments in Myanmar given by the Head of the Myanmar delegation. In this connection, they encouraged all stakeholders in the country to work together to ensure a successful outcome of the ongoing national reconciliation process. The National Convention should be an important element in the national reconciliation and democratization process and a forum for a genuine open debate with the participation of all political groups in the country. They looked forward to the early lifting of restrictions placed on political parties in accordance with the assurances given by Myanmar. They also reaffirmed their support for the efforts of the Special Envoy of the UN Secretary General.

End text.

REACTION TO BURMA COMPROMISE

3. (SBU) The reaction to the final Burma compromise was lukewarm but positive. Even though its effort to include a call for Aung San Suu Kyi's release failed, the UK delegation viewed the Burma language in the Chairman's Statement as "decent enough." The Singaporeans were happy that the issue had not derailed the summit. The Spanish Ambassador told the Ambassador that he thought that human rights and political issues had been somewhat neglected, but that the summit had on the whole been worthwhile. The French (who, according the Czech Ambassador, had joined the Germans in opposition to raising the issue at all) considered the statement an "acceptable outcome" but complained that the conflict over Burma's participation had overshadowed this ASEM summit to the point where real progress on other issues was not possible.

MORE STYLE THAN SUBSTANCE

4. (SBU) The French complaint that ASEM-5 contained more

form than substance was echoed by all of our other European interlocutors, and may be shared by the GVN. According to French First Secretary Alexis Andres, Foreign Minister Nguyen Dy Nien told French Ambassador Antoine Pouilleute that he "agreed" that ASEM should strive for "more operational outcomes." The British have a different view of the Vietnamese attitude, however: they blame the GVN for spiking at the SOM level an Indonesian proposal to create an Asian-Europe cultural dialogue on religion, despite strong support from the European countries and from the Philippines. In general, however, our European interlocutors agreed that the Asians were concerned with maintaining the protocol level of the meetings and restricting them to the cultural and economic areas while the Europeans wanted to see ASEM address the issues of the day, such as Burma or human rights. One thing on which all of the participants agreed was that ASEM-5 offered an excellent opportunity for leaders to meet each other informally. The Ministry of Foreign Affairs' ASEM Secretariat estimated that there were more than 150 leader-

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level bilateral meetings on the margins of ASEM-5.

SOME MINOR LOGISTICS AND SECURITY ISSUES ARISE

15. (SBU) Many of our interlocutors were pleasantly surprised that there were no major security, logistical or organizational problems during the confab. A common refrain from European diplomats, journalists and even some of Vietnam's ASEAN colleagues was that the event proceeded "surprisingly smoothly." The Japanese noted that there were serious problems with parking for non-delegation vehicles in the vicinity of the events, and the French ran into trouble when some members of their delegation were refused entry into certain events due to a credentialing mix-up. However, the consensus was that these were relatively minor problems considering the scale of the event. One worrisome observation involved security: the UK Embassy noted that, although the approaches to the event were strictly guarded and the GVN dedicated a massive amount of manpower to security, well-dressed and well-groomed individuals (both Asian and European) were often allowed to pass security checkpoints freely without having to show credentials. On the positive side, the German Deputy Chief of Mission said that GVN cooperation with German security personnel protecting Chancellor Schroeder was "excellent," a sentiment echoed by the French in describing the arrangements for President Chirac.

16. (SBU) Unfortunately, there were few logistical or security lessons from ASEM-5 that will be applicable to the 2006 APEC summit in Hanoi. That event will be held at the new International Convention Center on the outskirts of the city, far from the ASEM-5 venue in the center of Hanoi.

17. (SBU) There were no tangible, substantive outcomes to the ASEM-5 summit. The documents generated by the event -- including the Chairman's Statement; Recommendations for Organizational and Management Strategy and Long Term Financial Sustainability of ASEM (Asia-Europe Foundation); Recommendations for ASEM Working Methods; the ASEM Work Program 2004-2006; the List of New Initiatives; and ASEM Activities since ASEM-4 -- are available online at [www.asem5.gov.vn](http://www.asem5.gov.vn).

THE GVN GOES SHOPPING

18. (SBU) Vietnam had a productive series of bilateral visits and high-level meetings that occurred concurrently with the summit, including with Japan, the ROK and China (septel). Vietnam was also able to conclude its bilateral WTO talks with the EU (also septel). The GVN went on a spending spree during the visits of the French President and the German Chancellor: it signed an MOU with France to buy ten Airbus aircraft with a contract value of USD 750 million (details to be negotiated later) and agreed that the French would build an above-ground tramway through Hanoi at a cost of approximately USD 200 million, of which USD 140 million would be a loan and USD 60 million would be a grant. Germany obtained agreement on the GVN purchase of 16 diesel locomotives for 45 million Euros (USD 55.5 million) and concluded a deal worth 110 million Euros (USD 136 million) for ThyssenKrupp AG to provide a cement factory and limestone processing plant. The Germans had been negotiating the locomotive deal for nine years prior to the Chancellor's visit, according to the German DCM. Vietnam also signed agreements with Japan, China, South Korea, the EU, Sweden and Belgium, although none of those was as substantial as the deals with the French and the Germans.

19. (SBU) Comment: ASEM-5 was a tribute to the utility of low expectations. The heated debate over Burma's participation and the subsequent attendance by a limited

number of high-profile European leaders made the very existence of the ASEM-5 summit appear to be an accomplishment. The fact that it concluded without any negative incidents and with a consensus position on Burma then seemed like a triumph. EU concerns (reftel) that ASEM-5 would end up a substance-free talk shop turned out to be well-founded, but the opportunities for productive bilateral meetings on the sidelines made the event worthwhile for all who attended. The Asian preference for formal diplomatic frameworks focusing on uncontroversial issues such as economic and cultural relations remains, as does the European preference for more substantial and "productive" events. Conflict over the ultimate character of ASEM will likely carry over to ASEM-6 in Helsinki in 2006, but the opportunity to arrange a rich schedule of high-level bilateral meetings will prove a powerful draw nonetheless.

MARINE